

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

W. R. GRACE & CO. et al.<sup>1</sup>

Debtors.

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Chapter 11

Case No. 01-01139 (JKF)  
(Jointly Administered)

Objection Deadline: February 22, 2005 at 4:00 p.m.  
Hearing Date: June 27, 2005 at 12:00 p.m.

**FIFTEENTH QUARTERLY VERIFIED APPLICATION OF CARELLA, BYRNE, BAIN,  
GILFILLAN, CECCHI, STEWART & OLSTEIN FOR COMPENSATION FOR  
SERVICES AND REIMBURSEMENT OF EXPENSES AS SPECIAL COUNSEL TO  
W.R. GRACE & CO., ET AL., FOR THE INTERIM PERIOD FROM OCTOBER 1, 2004  
THROUGH DECEMBER 31, 2004**

Pursuant to sections 327, 330 and 331 of title 11 of the United States Code (as amended, the "Bankruptcy Code"), Fed. R. Bankr. P. 2016, the Retention Order (as defined below), the Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Professionals and Official Committee Members (the "Interim Compensation Order") and Del. Bankr. LR 2016-2, the law firm of

<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co. -Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (Ma Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G\_C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners 1, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Curving, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Carella, Byrne, Bain, Gilfillan, Cecchi, Stewart & Olstein (“CBBG”) as special litigation and environmental counsel for the above-captioned debtors and debtors in possession (collectively, “Debtors”) in connection with their chapter 11 cases, hereby applies for an order allowing it (i) compensation in the amount \$61,801.50 for the reasonable and necessary legal services CBBG has rendered to the Debtors and (ii) reimbursement for the actual and necessary expenses that CBBG incurred in the amount of \$2,399.56 (the “Application”), for the interim quarterly period from October 1, 2004 through December 31, 2004 (the “Fee Period”). In support of this Application, CBBG states as follows:

**Retention of CBBG**

1. On April 2, 2001 (the “Petition Date”), the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”). On April 2, 2001, the Court entered an order procedurally consolidating the Chapter 11 Cases for administrative purposes only. Since the Petition Date, the Debtors have continued to operate their businesses and manage their properties as Debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. By this Court’s order dated March 18, 2002, the Debtors were authorized to retain CBBG as their special counsel, effective as of February 1, 2002, with regard to environmental and litigation matters (the “Retention Order”). The Retention Order authorizes the Debtors to compensate CBBG at hourly rates charged by CBBG for services of this type and to be reimbursed for actual and necessary out-of-pocket expenses that it incurred, subject to application to this Court in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, all applicable local rules and orders of this Court.

**Monthly Interim Fee Applications Covered Herein**

3. Pursuant to the procedures set forth in the Interim Compensation Order, professionals may apply for monthly compensation and reimbursement (each such application, a "Monthly Fee Application"), and the notice parties listed in the Interim Compensation Order may object to such request. If no notice party objects to a professional's Monthly Fee Application within twenty (20) days after the date of service of the Monthly Fee Application, the applicable professional may submit to the Court a certification of no objection whereupon the Debtors are authorized to pay interim compensation and reimbursement of 80% of the fees and 100% of the expenses requested.

4. Furthermore, and also pursuant to the Interim Compensation Order, professionals are to file and serve upon the notice parties a quarterly request (a "Quarterly Fee Application") for interim Court approval and allowance of the Monthly Fee Application filed during the quarter covered by the Quarterly Fee Application. If the Court grants the relief requested by the Quarterly Fee Application, the Debtors are authorized and directed to pay the professionals 100% of the fees and expenses requested in the Monthly Fee Applications covered by that Quarterly Fee Application less any amounts previously paid in connection with the Monthly Fee Applications. Any payment made pursuant to the Monthly Fee Applications or a Quarterly Fee Application is subject to final approval of all fees and expenses at a hearing on the professional's final fee application.

5. This is the twelfth Quarterly Fee Application (designated as the Fifteenth Quarterly Interim Fee Application) for compensation for services rendered that CBBG has filed with the Bankruptcy Court in connection with the Chapter 11 Cases, which covers the Fee Period of October 1, 2004 through December 31, 2004.

6. CBBG has filed the following Monthly Fee Applications for interim compensation during this Fee Period:

- (a) Verified application of Carella, Byrne, Bain, Gilfillan, Cecchi, Stewart & Olstein for compensation for services and reimbursement of expenses as special counsel to W.R. Grace & Co., et al., for the interim period of October 1, 2004 through October 31, 2004 (the "October Fee Application"), attached hereto as Exhibit A.
- (b) Verified application of Carella, Byrne, Bain, Gilfillan, Cecchi, Stewart & Olstein for compensation for services and reimbursement of expenses as special counsel to W.R. Grace & Co., et al., for the interim period of November 1, 2004 through November 30, 2004 (the "November Fee Application"), attached hereto as Exhibit B.
- (c) Verified application of Carella, Byrne, Bain, Gilfillan, Cecchi, Stewart & Olstein for compensation for services and reimbursement of expenses as special counsel to W.R. Grace & Co., et al., for the interim period of December 1, 2004 through December 31, 2004 (the "December Fee Application"), attached hereto as Exhibit C.

7. The period for objecting to the fees and expense reimbursement requested in the October Fee Application and November Fee Application have expired and no objections have been filed. The period for objecting to the fees and expense reimbursement requested in the December Fee Application will expire on February 16, 2005.

8. CBBG has advised and represented the Debtors in connection with environmental and litigation matters.

**Explanation For More Than One Professional  
Attending/Participating in Conferences/Meetings**

9. Two of the attorneys at CBBG who are involved with the *Interfaith Community Organization v. Honeywell International, Inc.* ("ICO") matter are John M. Agnello, Esq. ("JMA") and Laura S. Munzer, Esq. ("LSM").

10. On October 20, 2004, both JMA and LSM participated in the same conference and conference call with other attorneys not from CBBG and a title officer. These conferences

related to the closing documents necessary to conclude the settlement of Honeywell's claims against ECARG, Inc., subject to approval by the Bankruptcy Court.

JMA is co-lead trial counsel with Christopher H. Marraro, Esq. ("CHM") of Wallace, King, Marraro & Branson. As co-lead trial counsel, JMA's participation in all aspects of the settlement and all related documents is essential to the proper consummation of the settlement.

LSM specializes in real estate closings. In that capacity, LSM's participation was required because LSM was responsible for the preparation of all of the necessary documents in connection with the settlement.

**Requested Relief**

11. By this Fifteenth Quarterly Fee Application, CBBG requests that the Court approve the interim allowance of compensation for professional services rendered and the reimbursement of actual and necessary expenses incurred by CBBG for the Fee Period, which is from October 1, 2004 through December 31, 2004, as detailed in the Applications, less any amounts previously paid to CBBG pursuant to the Application and the procedures set forth in the Interim Compensation Order. As stated above, the full scope of services provided and the related expenses incurred are fully described in the Applications, which are attached as Exhibits A, B and C.

12. CBBG may have in the past represented, may currently represent, and likely in the future will represent parties-in-interest in connection with matters unrelated to the Debtors and the Chapter 11 Cases. CBBG disclosed in the Affidavits its connection to parties-in-interest that it has been able to ascertain using its reasonable efforts. CBBG will update the Affidavits when necessary and when CBBG becomes aware of material new information.

**Representations**

13. CBBG believes that the Application is in compliance with the requirements of Del.Bankr.LR 2016-2.

14. CBBG performed the services for which it is seeking compensation on behalf of or for the Debtors and their estates, and not on behalf of any committee, creditor or other person.

15. CBBG has received payment for the October Fee Application. The total amount requested in the October Fee Application was \$39,917.84. The total amount outstanding from the October Fee Application (excluding the \$39,917.84) is \$9,478.20. CBBG has not received payment for the November Fee Application. The total amount requested in the November Fee Application was \$6,741.47. The total amount outstanding from the November Fee Application (including the \$6,741.47) is \$8,358.57. CBBG has not received payment for the December Fee Application. The total amount requested in the December Fee Application was \$5,181.45. The total amount outstanding from the December Fee Application (including the \$5,181.45) is \$6,446.45.

16. Pursuant to Fed. R. Bank. P. 2016(b), CBBG has not shared, nor has agreed to share (a) any compensation it has received or may receive with another party or person other than with the partners, counsel and associates of CBBG, or (b) any compensation another person or party has received or may receive in connection with the Chapter 11 Cases.

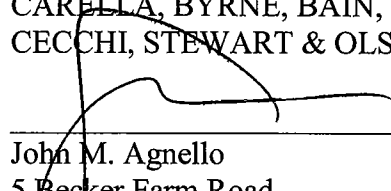
WHEREFORE, CBBG respectfully requests that the Court enter an order providing (a) that, for the Fee Period, October 1, 2004 through December 31, 2004, an administrative allowance be made to CBBG in the sum of (i) \$61,801.50 as compensation for reasonable and necessary professional services rendered to the Debtors and (ii) in the sum of \$2,399.56 for reimbursement of actual and necessary costs and expenses incurred, for a total of

\$64,201.06, (b) that the Debtors be authorized and directed to pay CBBG the outstanding amount of such sums less any sums previously paid to CBBG pursuant to the Applications and the procedures set forth in the Interim Compensation Order; and (c) that this Court grant such further relief as is equitable and just.

Roseland, New Jersey  
Dated: February 1, 2005

Respectfully submitted,

CARELLA, BYRNE, BAIN, GILFILLAN,  
CECCHI, STEWART & OLSTEIN



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**PROJECT AND EXPENSE CATEGORIES  
TO FIFTEENTH QUARTERLY INTERIM FEE APPLICATION  
(OCTOBER 1, 2004 THROUGH DECEMBER 31, 2004)**

<b>Name of Professional Person</b>	<b>Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise</b>	<b>Hourly Billing Rate (including changes)</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
John M. Agnello	Partner	\$375	121.20	\$45,449.50
Jan Alan Brody	Partner	\$375	0.40	\$150.00
Melissa E. Flax	Partner	\$250	44.30	\$11,075.00
Laura S. Munzer	Associate	\$160	20.70	\$3,312.00
Robert C. Scrivo	Associate	\$225	1.30	\$292.50
JA Kubert	Associate	\$160	0.40	\$64.00
Laura Florence	Paralegal	\$90	15.20	\$1,368.00
Cynthia Conlin	Paralegal	\$90	1.00	\$90.00

Grand Total:	\$61,801.00
Blended Rate:	



**COMPENSATION BY PROJECT CATEGORY**

<b>Project Category (Examples)</b>	<b>Total Hours</b>	<b>Total Fees</b>	<b>Cumulative Fees</b>
Asset Analysis and Recovery			
Asset Disposition			
Business Operations			
Case Administration			
Claim Analysis Objection Resolution & Estimation (Asbestos)			
Claim Analysis Objection Resolution & Estimation (Non-Asbestos)			
Committee (All – Creditors', Noteholders', Equity Holders', etc)			
Employee Benefits/Pensions			
Employment Applications, Applicant			
Employment Applications, Others			
Expenses		\$2,399.56	\$89,235.22
Fee Applications, Applicant	19.50	\$55037.50	\$87,620.00
Fee Applications, Others			
Financing			
Hearings			
Litigation and Litigation Consulting	183.50	\$56,524.00	\$1,955,064.00
Plan and Disclosure Statement			
Relief from Stay Proceedings			
Tax Issues			
Tax Litigation			
Travel – non-working			\$15,173.75
Valuation			
ZAI Science Trial			
ZAI Science Trial – Expenses			
Other (Explain)			

**EXPENSE SUMMARY**

<b>Expense Category (Examples)</b>	<b>Service Provider (if applicable)</b>	<b>Total Expenses</b>	<b>Cumulative Expenses</b>
Computer Assisted Legal Research	Westlaw/Pacer	\$32.21	\$7,759.80
Facsimile (with rates)		\$584.00 (\$1.00 per page)	\$6,098.00
Long Distance Telephone		\$267.12	\$8,495.73
In-House Reproduction		\$685.80 (\$0.15 per page)	\$14,911.20
Outside Reproduction			\$18,936.41
Outside Research			
Filing/Court Fees			
Court Reporting	Charles P. McGuire		\$542.70
Local Travel	Parking/mileage/tolls	\$22.63	\$630.22
Out-Of-Town Travel train airfare car/taxi service hotel			\$10,564.63
Courier & Express Carriers (e.g. Federal Express)		\$426.78	\$5,072.03
Postage			
Other (Explain) – Corporate record search	State of New Jersey Department of Treasury		\$10.00
Other (Explain) – Photographs	Mr. Photo		\$76.25
Other – Aerial photographs	Air Photo Services (2/2002) (6/2004)		\$1,462.30
Messenger		\$330.00	\$4,248.40
Working meals			\$1,908.59
Subpoenas	Guaranteed Subpoena – Trial Witnesses		\$3,226.80
Returned Witness Fees			(\$802.00)
Additional Staff Time		\$74.86	\$5,371.54
Trial Supplies			\$230.52
Site Security	SARA Consultants		\$320.00
Stationary & Supplies	Staples		\$195.94

Dated: February 1, 2005